EXHIBIT 74

DOCUMENT PRODUCED IN NATIVE FORMAT

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Drug Enforcement Administration Pharmaceutical Industry Conference

Wholesale Distribution Diversion Control Program

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Regulatory Responsibility

Title 21 of the Code of Federal Regulations:

1301.71(a) - "All applicants and registrants shall provide **effective controls** and procedures to **guard against** theft and **diversion** of controlled substances."

Distributor Response: Develop policy to ….

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HOW?

Distributors usually implement policies that mirror the Code of Federal Regulations' requirements:

1301.72 - Physical Security Controls – vault / cage construction and alarm system requirements – No Problem

1304 – Records and Reports of Registrants – information, maintenance, and inventory requirements – No Problem

1305 – Orders For Schedule I & II Controlled Substances – ordering, filling, executing, and endorsing DEA Forms 222 – No Problem

1301.74 – Other Security Controls – make a **good faith** inquiry; report **suspicious** orders; report **significant** losses – gray area

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Regulatory Responsibility

Title 21 of the Code of Federal Regulations:

1301.74(b) - "The registrant shall design and operate a system to **disclose** to the registrant **suspicious orders** of controlled substances. The registrant shall inform Field Diversion Office of the Administration in his area of suspicious orders **when discovered** by the registrant."

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Regulatory Responsibility

- Reporting suspicious orders to DEA does NOT relieve the distributor of the responsibility to maintain effective controls to prevent diversion.
- DEA cannot / will not tell a distributor:
  - if an order is or is not legitimate; and/or
  - if the distributor should or should not ship an order
- Distributor must make a “business” decision whether or not to ship the order.

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ABC's Diversion Control Program

- "Know Your Customer" Due Diligence
- Order Monitoring Program (OMP)
- Investigations
- Education and Training

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New Customer Due Diligence

- "Know Your Customer" Due Diligence investigations completed on all new Retail and Wholesale Accounts.
  - Retail chain pharmacies are exempted.

- Included in New Account Setup Process
  - New Account Questionnaire
  - On-site visit includes photographs inside and out (or physical description of premises)

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New Customer Due Diligence

- Monthly Sales Limits
  - All new accounts set at the lowest threshold level for DEA business type in ABC's Order Monitoring Program (OMP)
- "Do Not Ship" List
  - Customers to whom ABC has ceased distribution to due to suspicious activity
  - Other sources

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Order Monitoring Program (OMP)

- The Controlled Substances/Listed Chemicals Order Monitoring Program (OMP) was developed to identify suspicious orders and purchasing trends.
- Historically Controlled Substance / Listed Chemical order monitoring has been based on a **ship and report** process.
- ABC's OMP process is now based on: identify, capture, investigate, and report suspicious orders; all **prior to shipment**.

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OMP Customer Account Type and Size

- Each Customer is classified by “Customer Type,” which represents how the customer is registered with DEA.
  - Hospital/Clinic, Retail Pharmacy, Distributor, etc.
  - This value is loaded using the NTIS Database synch process.

- Each customer is then categorized by “Customer Size” based upon average revenue relative to its peers in the same “Customer Type.”

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OMP Item Family and Threshold

- All controlled substance and listed chemical products are grouped into item “families” based upon the drug’s active ingredient, which has a corresponding Generic Code Number (GCN).

- The OMP will combine all sales of items within the same GCN family (e.g., hydrocodone / vicodin; oxycodone / percocet; Alprazolam / Xanax), for each customer.

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OMP Item Family and Threshold

- Item threshold levels are established from accumulated monthly sales for all customers based on item family, DEA type, and customer size.

- A customer's threshold level is initially set by item family based on the customer's DEA type and customer size.

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OMP Order Processing

- A customer's incoming orders are accumulated by item family, and the total item family order quantity is applied to the predetermined Item family monthly threshold.

- If the order quantity falls below the Item family threshold, the order will process normally.

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OMP Order Processing

- If the order quantity goes over the item family threshold, the order will be placed into “OMP Review.”
- All subsequent orders within the same item family will be rejected while an item within the same family is under review.
- Each distribution center (DC) is responsible for initial review of all orders in OMP Review.
  - If the DC can determine the order is not suspicious, the DC will release the order.
  - If the DC is unsure, the order will be flagged to be investigated by Corporate (CSRA).

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OMP Order Processing

- All OMP orders that the DC released, as well as those flagged for CSRA Review, are sent to CSRA each morning.
- Based upon information available to CSRA, flagged orders will either be released or placed in “Investigate” status.
- All orders placed into Investigate status are electronically reported to DEA on a daily basis.

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OMP Order Processing

- CSRA conducts the investigation and will notify the distribution center of the final disposition of the order (release or cancel).

- CSRA will also determine if any permanent action needs to be taken with the customer.
  - Customers who have legitimate needs will have their size or threshold levels increased.
  - Customers with continued suspicious ordering patterns may have their ability to order control substances effected.

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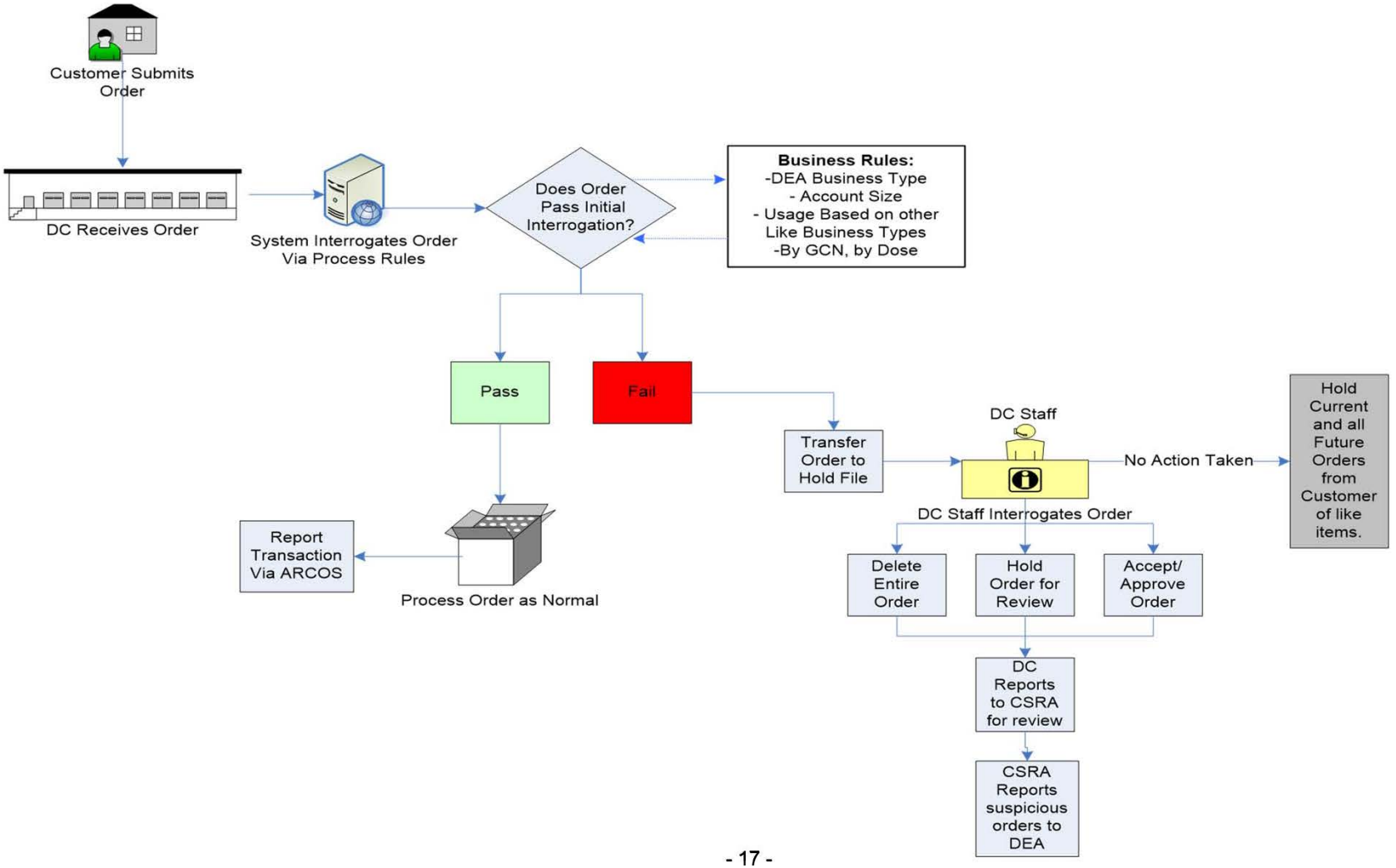
Order Monitoring Process (OMP)



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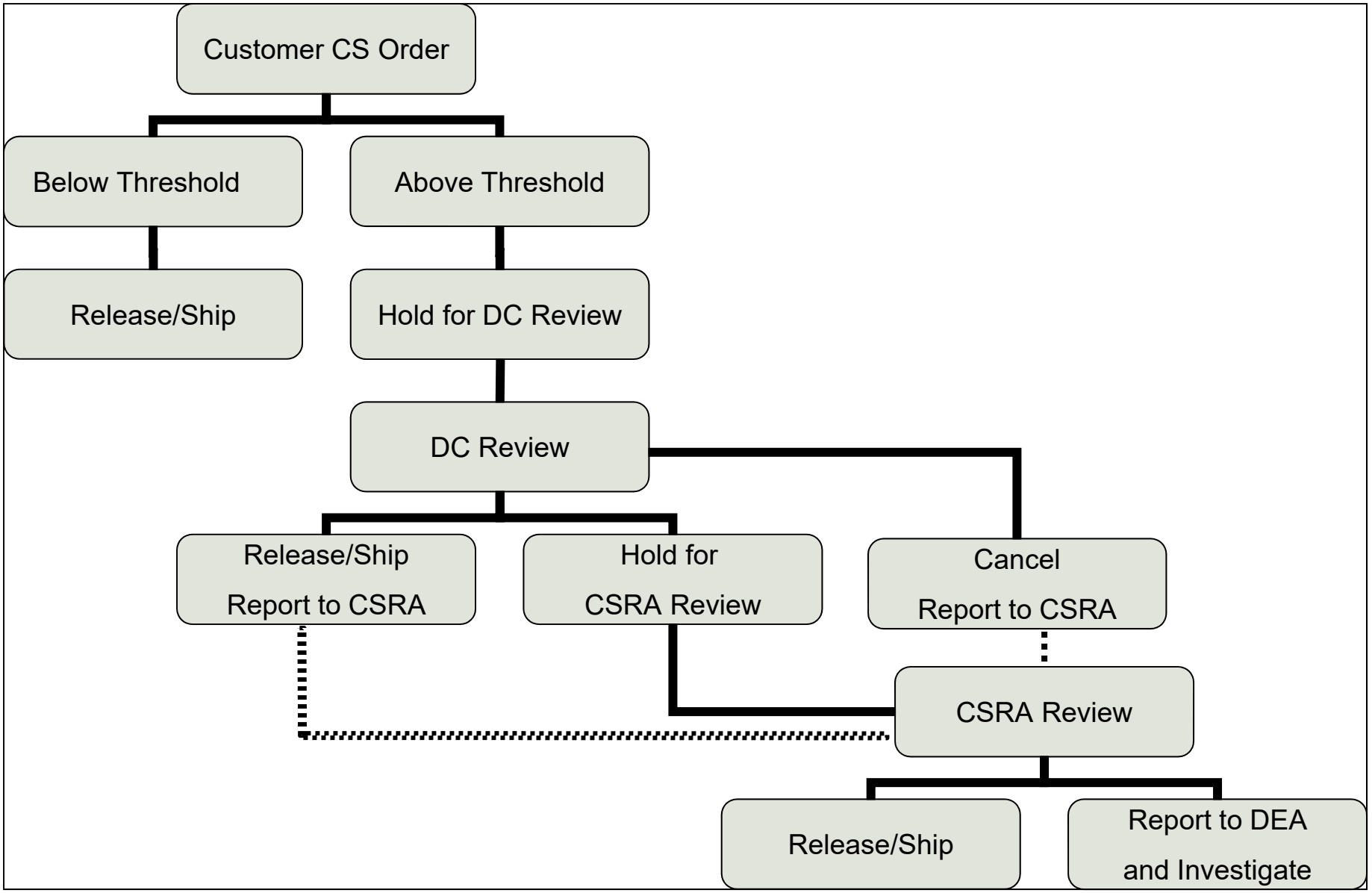

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Order Monitoring Program (OMP)

- A Distributor can't solely rely on computer systems and programs to prevent diversion.
- All employees have a role and responsibility in a successful Order Monitoring Program:
  - Sales
  - Procurement
  - Management (DC / HQ)
  - Order fillers
  - Customer service
  - IT

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Investigations

- Sources of Investigations
  - Order Monitoring Program (OMP)
  - Monthly Customer Product Mix Report
  - Notification by DEA
  - Notification by ABC DC
- Typical Investigation Process
  - One-year purchase history
  - On-site inspection
  - **CSRA Form 590c Retail Pharmacy Verification Checklist**
- Decision
  - Cease distribution of CS/LC to customer
  - Customer Sign applicable compliance agreement

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Education and Training

- All appropriate associates are trained on ABC's Diversion Control Program

- ABC also holds training and educational courses for its customers and vendors regarding this subject matter.

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Questions?